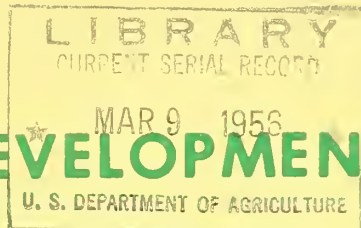


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RURAL DEVELOPMENT PROGRAM

NEWS

*"We must open wider the doors of opportunity....
for the good of our country and all our people"*
President Eisenhower

Washington, D. C.
January 1956
No. 6

U. S. Department of Agriculture

The past month has seen increased activity and interest in the Rural Development Program and a growing awareness of the need for assistance to certain areas for economic improvement.

President Eisenhower has again asked Congress for funds and authority to support Rural Development Programs going forward in over 20 States. Several bills have been introduced at the new session of Congress to help urban and rural areas increase industrial and other business activity. The Joint Congressional Committee on the Economic Report released a report and recommendations on measures to assist low-income families. And the President's message on education projected a long-range program of Federal assistance to schools.

COMMITTEES DIRECT PROGRAM IN 14 STATES: In 11 States,

Rural Development Committees have been set up to direct a coordinated program, and in 3 additional States regular agricultural committees will have responsibility. These committees include representatives of Federal and State agencies servicing agriculture and, in many cases, of agencies dealing with health, welfare, education, and industrial development. In most States they have met several times to discuss organization and administration of a Rural Development Program, coordination between agencies, and selection of pilot counties. Rural Development Committees have been organized in Arkansas, Kentucky, Maryland, Michigan, Minnesota, Nevada, North Carolina, Oklahoma, Tennessee, Virginia, and West Virginia.

RURAL DEVELOPMENT PROGRAM PILOT COUNTIES

A total of 35 to date.

<u>Arkansas</u>	<u>Oregon</u>
Ouachita	Marion
Phillips	Washington
Van Buren	<u>Pennsylvania</u>
<u>Kentucky</u>	Fayette
Ashland-	<u>South Carolina</u>
Huntington*	Colleton
Glasgow*	Edgefield
Bowling Green*	Florence
<u>Maryland</u>	Richland
Garrett**	Spartanburg
<u>Mississippi</u>	York
Covington	<u>Tennessee</u>
Holmes	Grainger
Tippah	Hardin
<u>Missouri</u>	Macon
Dent	<u>Texas</u>
Oregon	Cherokee
Ripley	<u>Washington</u>
<u>New Mexico</u>	Clark
Sandoval	Kitsap
Santa Fe	<u>West Virginia</u>
<u>North Carolina</u>	Lewis**
Anson**	
Bertie**	
Watauga**	
<u>Oklahoma</u>	
Choctaw	

* trade areas
** not listed
previously

This is one of a series of periodic reports on RDP activities by business, local, State, Federal, farm and other leadership, working together. If you have comments on the Rural Development Program or this Newsletter, please address communications to the Office of Information, U. S. Department of Agriculture, Washington, 25, D. C.

PRESIDENT'S MESSAGE HIGHLIGHTS RURAL DEVELOPMENT: In his message on agriculture, delivered to Congress January 9, President Eisenhower placed emphasis on the Rural Development Program as one of the nine basic recommendations to maintain a stable agriculture. The welfare of the people as a whole require that the Rural Development Program go forward, he said. "I urge Congress to enact the full program recommended in my message of April 26, 1955."

In his budget message a week later, the President said the Rural Development Program "will be conducted broadly as well as in selected counties, and will involve special educational work by the cooperative Federal-State Extension Service, research on farming and marketing problems of low-income farmers by Federal and State agencies, and assistance in providing employment information by the Department of Labor."

Agency requests for funds have been included in the regular budgets of the Agriculture and Labor Departments.

BILLS INTRODUCED TO AID DEPRESSED AREAS: Two bills were introduced during the opening days of the new Congressional session to make government credit and technical assistance available for area development.

An Administration bill, introduced by Senator Smith of New Jersey, would permit the Secretary of Commerce to give credit and technical aid to surplus labor areas, and help rural communities develop manufacturing and other non-agricultural activity through stepped-up technical aid. The bill provides for a 50 million dollar fund to be used in making loans to areas the Secretary of Labor designates as "areas of substantial and persistent unemployment." This provision would affect certain rural areas where many farmers are employed part-time in mining and other industry.

A bill introduced in the House would set up a "Depressed Areas Administration" to help these areas increase industrial activity and lessen unemployment. The main feature is a Federal loan fund for plant construction and public building.

COMMITTEE REPORT ASKS AID TO LOW-INCOME FAMILIES: In a report published early this month, the Joint Congressional Committee on the Economic Report called for programs to help low-income families increase their earnings. Its recommendations to help farmers in areas of low income include: increased credit and technical assistance, special extension services, more industrialization and off-farm job opportunities, aid in out-migration, and training in non-farm skills.

The Committee points out that, "... in general terms programs designed to aid depressed areas have much in common, regardless of whether they relate to agricultural or industrial areas." Both types of areas require more capital, industrial development, credit and technical aid for the small farmer or businessman, increased training opportunities, and better community and health facilities. A Subcommittee of the Joint Committee held extensive hearings in late November on problems of low-income families.

STATE REPORTS SHOW VARIED ACTIVITY: Reports from many States and counties taking part in the Rural Development Program give a picture of varied activity and effective leadership directed toward long-range development that will benefit all groups in an area.

New Pilot Counties: Three more States have named pilot counties in the Rural Development Program. Lewis County in north central West Virginia has about 1,300 farms, half of them part-time and residential. Garrett County in western Maryland has many farms of low sales and is located near Fayette, named recently as the Pennsylvania pilot county. North Carolina's pilot counties -- Bertie, Anson, and Watauga -- are in three main sections of the State having different economic conditions. In all three States, Rural Development Committees are directing the work.

Virginia Rural Development Committee: Virginia has set up a broadly representative committee to give leadership in rural development work. It includes representatives from the State Division of Planning and Economic Development, the Federation of Home Demonstration Clubs, the Grange, Farm Bureau, and Farmers Union. A subcommittee has been appointed to study resources and needs in the State.

Tennessee County Activity: Each of the Tennessee pilot counties have active Rural Development Committees. The committee in Hardin County includes agricultural agency personnel, farmers, businessmen, and bankers. Dr. Kenneth Bachman of the Agricultural Research Service recently visited the county and attended one of the committee's meetings.

Research in Missouri Program: Missouri is planning farm management research in three pilot counties.

Kentucky University Committee: A committee at the University of Kentucky, made up of research, teaching, and Extension Service personnel, is now studying organization and methods for rural development and the objectives of an effective program. The committee includes personnel from the College of Arts and Sciences.

Mississippi Discusses Problem: The following are some highlights of the Mississippi Agricultural Coordinating Council meeting when it was decided to select pilot counties: A representative of the Agricultural and Industrial Board said the State should have 25,000 new job opportunities within the next five years. The State employment office has a program to provide more work during slack farming seasons. A Mississippi State College sociologist said community organization is the key to acquainting many people with new and better methods.

Rural Life Conference in Arkansas: The annual Rural Life Conference, January 17 and 18, sponsored by the Arkansas Agricultural, Mechanical, and Normal College and the Negro division of the State Farm Bureau, featured discussions of the Rural Development Program. Theodore S. Gold, Executive Assistant to Under Secretary Morse addressed the meeting, which was attended by other USDA representatives.

CHAMPION PAPER PIONEERS RURAL INDUSTRY PROGRAM: An outstanding example of industrial organization in a rural area is the Canton, North Carolina, plant of the Champion Paper and Fiber Company, which employs 2,800 local workers and provides indirect employment for an additional 6,000 families through purchases of pulpwood. Woodlot owners in the area receive an average of \$1,300 a year from sales of wood to the company. This is supplementary income made possible by a market for pulpwood within hauling distance of farms. Six Champion foresters and an assistant county agent paid by Champion give technical assistance to woodlot owners the year-round.

Under Secretary Morse, after visiting the Canton plant, again pointed out that in many communities one-half or more of the land is in timber. Farm forestry can play an important part in the Rural Development Program...more wood-processing industries will be needed.

FEDERAL AGENCIES COOPERATE IN PROGRAM: While State leaders have taken the initiative to organize for Rural Development Program work and name pilot counties, Federal agencies have alerted their representatives in the field and State officials administering cooperative programs and have stepped up services, wherever possible, to keep pace with State programs.

Under Secretary True D. Morse met late in December with the Under Secretaries of Commerce, Walter Williams; Labor, Arthur Larson; Health, Education, and Welfare, Herold C. Hunt; and a member of the President's Council of Economic Advisers, Joseph S. Davis, to discuss activities in the Rural Development Program. On January 16 a meeting of the working-level USDA Rural Development Committee reviewed the program to date, cooperation with States, and action needs.

The Department of Labor is writing all State employment security agencies urging them to cooperate with State leaders in the Rural Development Program. The Bureau of Employment Security is continuing planning on the program.

The Office of Area Development in Commerce has written leaders in States with pilot programs describing technical material available to help communities develop new sources of employment. Commerce has also notified State planning and development agencies about Rural Development Program work and urged them to get in touch with State leaders in the program.

Agricultural Research Service funds from this year's budget will be used to begin work in support of the Rural Development Program in Texas and Missouri.

State offices of the Farmers Home Administration have been notified to earmark loan funds for use in pilot counties and to adequately staff offices in these areas to meet any increased demand for service.

James W. Browning, Executive Assistant to the Administrator of the Commodity Stabilization Service, has been given responsibility for general coordination of CSS activities in the Rural Development Program. CSS will inform farmer committees of the program's objectives.

The Forest Service has stepped-up its timber sales program in rural areas of low income, emphasizing sales in smaller units.

Farm Credit Administration: R. B. Tootell, Governor of the Farm Credit Administration has notified its general agents about pilot counties and suggested that Farm Credit district offices get in touch with State agricultural leaders in the Program. He also suggests that production credit associations and national farm loan associations serving pilot counties be invited to take part in pilot county activity.

PRESIDENT EISENHOWER'S MESSAGE ON SCHOOLS: If we are to meet expanding educational needs, "action on a broader scale and at a more rapid rate is clearly imperative," President Eisenhower said in his message to Congress on education. The President proposed: (1) Federal grants of \$250 million each year for five years, matched with State funds, to help build schools in the neediest districts; (2) purchase by the Federal Government of local bonds for school building when they cannot be sold in local markets; (3) a 5-year program of advances to help provide reserves for school bonds issued by State agencies; (4) a 5-year, \$20 million program of matching grants to States for planning to help overcome obstacles to financing school construction.